FBIS DAILY REPORT

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ARGENTINES VOICE SATISFACTION AT URUGUAY ELECTIONS

PY020140 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2145 GMT 1 Dec 80

[Text] Buenos Aires, 1 Dec (NA)--According to a statement issued here today, Argentine intellectuals and politicians from the Peronist and nationalist political sectors have expressed their satisfaction over the results of the plebiscite held yesterday in Uruguay.

Among those who signed the statement are historians Jose Maria Rosa, Fermin Chavez and Luis Alberto Murray, poet Jose Maria Castineira de Dios, and politicians and union leaders Miguel Unamuno, Oscar Albrieu, Arturo Lopez Pena, Osvaldo Guglielmino, Ricardo Guardo, Julio Barbaro, Roberto Garcia, Roberto Dighon, Jose Rodriguez, Eleuterio Cardozo and Narciso Paulino Niembro.

The statement notes: "The Uruguayan people have a long history of struggles against oppressors and against those who violate the rights of the people, from Artigas to Luis Alberto de Herrera."

It adds: "This tradition which has been tested at a time when our countries are experiencing a critical period, has been victorious once again."

The statement also notes: "As Argentines who feel as our own the victory of our brothers, we congratulate the Uruguayan people, who have given the world an example of national conscience and democracy."

BRITISH OFFICIAL RETURNS FROM MALVINAS ISLANDS

PY012150 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1212 GMT 30 Nov 80

[Text] Buenos Aires, 30 Nov (NA)--British Deputy Foreign Secretary Nicholas Ridley, who will return to London today after 1 week of contacts with the inhabitants of the Malvinas Islands, stated here that there are no "formal proposals" regarding the sovereignty of the archipelago, only the "determination of roads which are possibly worth exploring."

Margaret Thatcher's envoy arrived at Jorge Newberry Airport last night just before 2100 in a state airlines (Lade) plane from Port Stanley, Malvinas Islands, after a stopover at the Comodoro Rivadavia airport in Chubut Province.

At the airport in Chubut, he refused to answer questions from newsmen and limited himself to reading a short statement regarding his talks with the islanders; he did the same thing on his arrival in this capital.

The British ambassador to Argentina, Anthony Williams, was waiting for him at Jorge Newberry Airport and they had a 20-minute dialogue behind closed doors in a room at the airport, after which Ridley left for some unknown place.

Ridley was in the Malvinas Islands for the second time in the last 12 months and during his contacts with the islanders he made a number of alternative proposals regarding the future of the islands. One of the proposals was to return the archipelago to Argentine sovereignty. The Malvinas Islands were occupied by British troops in 1833.

The statement read by Ridley to the newsmen, both in Comodoro Rivadavia and here, says: "I have spent a very interesting week on the islands. I had talks with the islanders, including the local council and many of the people.

"I took advantage of this recent visit to talk about possible ways of advancing the situation and the negotiations over the conflict. Several ideas were put forward which we have to consider. At this time there is no talk of formal proposals but rather of determining roads which are possibly worth exploring.

"I must now return to London to give deeper thought to the whole matter."

FINANCE MINISTER DISCUSSES ECONOMIC SITUATION

PY262118 Rio de Janeiro O GLOBO in Portuguese 23 Nov 80 p 46

[Interview granted to O GLOBO by Finance Minister Ernane Galveas in Brasilia--date not given]

[Text] [Question] After Minister Delfim Neto recently announced changes in the economic policy, voices of approval were raised on one side. But on the other side, voices warned that, depending on the dosage in which the measures are applied, the economy may slide toward a recession. Is there a possibility of recession?

[Answer] In making the changes, one of our main concerns is to avoid a recession, which would be the worst consequence of the new economic policy. We will proceed gingerly to preclude any social or economic shock. What could impose some restriction on the development of economic activities, among the measures adopted by the government, is the stricter control on monetary policy and the increased financial restriction. This really creates difficulties for production and personal expenditure. But since everything will be done gradually, I do not believe there will be a great risk of slipping into a recession. To the extent that the expansion of the means of payment will be allowed to proceed at a slower pace than the expansion of credit, credit will also slow down--as is already happening, by the way. What can be expected in a period of 5 to 6 months is that the rate of inflation will also come down.

[Question] Five or six months is then the new time limit set by the government for inflation to be reduced?

[Answer] That will greatly depend on the capacity of the economy to make the adjustments. The problem is that there is a time lag between monetary measures and the financial measues with their effect on prices. This cannot happen in a short period of 6, 7 or 8 months unless extremely rigorous measures are enacted, but the government does not intend to apply such measures.

[Question] The government has no control over the prices of imported products such as oil and fertilizers. On the other hand, the government needs to devaluate the cruzeiro even more to maintain the volume of exports, but this devaluation just raises the prices of imported goods. Isn't this a defeating move in the fight against inflation?

[Answer] I want to make it clear that the government is not thinking of accelerating the devaluations of the cruzeiro. We will continue with the minidevaluations in line with the internal and external prices at a more realistic level. To step up devaluations at this time would just create an inflationary source. With this policy of minidevaluations, we do not want to benefit the importer with a lower rate of exchange nor do we want to discourage the exporter with a rate of exchange that would reduce his revenues.

[Question] In addition to a more realistic rate of exchange, what other instruments could the government resort to in order to attain the goal of exporting $25 billion next year? In the last 12 months, the accumulated devaluation of the cruzeiro reached 91 percent, well below the 100 percent inflation rate, as measured by the general price index, to the detriment of the export sector.

[Answer] The general price index is heavily weighted by the wholesale price index, which is not the real measure of inflation in Brazil. If we take the national consumer price index, the variations of which coincide with the calculations made by the Getulio Vargas Foundation in Rio de Janeiro, the FIPE [Economic Research Institute] and the Interunion Department of Statistics and Socioeconomic Studies [DIEESE] in Sao Paulo, the picture changes; then things are moving along normally. The government's intention is to maintain a rate of exchange system providing continuous stimulus for the export sector. Furthermore, the government is mobilizing more funds to finance exports.

We can also mention the intense effort made abroad to promote trade, the orientation given to exporters, the effort to merge small- and medium-sized enterprises into exporting consortiums, the support given to "trading companies," and the continual motivation given by the government, which meets with exporters to try and solve problems whenever they are submitted to the authorities.

[Question] Some businessmen have been arguing that last year the exporters had a number of fiscal incentives which were withdrawn in exchange for the maxidevaluation. Now they argue that both the incentives and the maxidevaluation have been withdrawn due to the preestablished exchange rate adopted this year.

[Answer] This is a problem of the past. Now we can see that this problem has been overcome. We have to reason from here on, and from here on the orientation that has already been announced is that the system of minidevaluations will work in step with the monetary correction, and this is in step with the national consumer price index. But if distortions were so great, the country would not be exporting 30 percent more this year.

[Question] Would not the government intention to reduce subsidies to agricultural credits--announced for next year--lead the producers to cut back in their planting?

[Answer] The government cannot maintain artificial situations. The interest rates for agricultural credits a few years ago were already very close to the real market rates. The problem is that recently they have been based on a monetary correction which was much lower than the inflation rate, a fact which consequently increased the level of subsidies. But we cannot permit ourselves the luxury of maintaining that difference between the interest rates for agriculture and the market rates. This high subsidy would end up damaging agriculture itself, to the extent it reduced the volume of available resources to finance production. The farmer wants the available money and price for his products. He is not much worried about the interest rates. We want to have the conditions to maintain the offer of loans to the rural sector.

[Question] Will some agricultural sector completely lose the subsidy?

[Answer] A logical position is to abolish the subsidies in marketing, because this is a stage of agriculture closer to the market, capable of absorbing prices better than the plantation stage.

[Question] Can't the reduction of agricultural subsidies, the changes of salary policy, the lines behind the doors of the supermarkets, the 100 percent inflation, adversely affect the government economic plans, especially in fighting inflation? As you already said, the psychological component of inflation is unpredictable.

[Answer] We are facing a difficult economic situation, not only due to domestic problems but also due to problems abroad. The whole world is experiencing a difficult situation. Society must become aware of the problems we are facing.

[Question] The disposition expressed by some foreign bankers of not granting more or fewer loans to Brazil, in addition to the government interference in the sale of bauxite mines by the U.S. businessman Daniel Ludwig to the U.S. Alcoa group--would they not bring embarrassment to Brazil? Doesn't the Alcoa case involve a nationalistic movement within the government?

[Answer] It is quite natural that the government will assume a position on the negotiations of the national bauxite mines, this does not mean a change in the government's attitude regarding our interest in attracting foreign investments in Brazil. The national policy regarding foreign capital has already been established, and there is no indication that it will be changed. Specific cases, of course, will be emerging, but we cannot put more emphasis on them.

[Question] The cabinet ministers have denied that the economic measures that are being announced are not intended to meet conditions set by the IMF. What would be the advantage, or the lack of it, in requesting IMF money?

[Answer] We have taken the measures that seemed the most appropriate to us. Now, if the measures we adopted happen to coincide with those recommended by the IMF or any other international institution, that fact only underscores the merit and correctness of our course. Brazil has not yet resorted to the IMF because it has so far had easier access and better terms in the international financial market. If the IMF conditions are more advantageous, Brazil has no objections to resorting to the IMF mechanisms, as is its right. It would be a lack of good sense not to take advantage of any favorable conditions.

[Question] Some bankers say that Brazil could obtain new loans with a guarantee from the IMF.

[Answer] International bankers are not only concerned about Brazil, but also about all oil-importing countries with foreign debts and balance of payments problems. Should reserves continue to be accumulated in the hands of oil-exporting countries, the recycling of petrodollars through the channels of the international private financing system becomes more inelastic all the time. The bankers want institutions such as the IMF and even the governments of industrialized countries also to participate in the recycling of petrodollars.

[Question] In contacts it has had with international bankers and institutions such as the IMF and the World Bank, has the government noticed an inclination to be more flexible with borrowers?

[Answer] The IMF is already adjusting its operational policy to current circumstances, recognizing that most oil-importing countries are affected by structural imbalances, not by circumstancial maladjustments that can just be solved with monetary and exchange rate measures. The IMF already recognizes that those structural imbalances can only be resolved in 7, 8 or more years, a period that will permit countries in difficulty to change their economic structure so as to reduce oil imports.

[Question] Does that mean that the IMF now accepts that inflation can be fought without implementing recession-causing measures?

[Answer] Basically that is the change in orientation on the part not only of the IMF but of the World Bank also. These institutions have already provided assistance to two countries--Turkey and the Philippines--in line with the new concept.

[Question] Could not the continuous implementation of the policy of limiting credits prevent the attainment of the goal of creating 1 million new jobs per year?

[Answer] We believe that there will be no serious unemployment problem in Brazil. To the extent that the government reduces the demand pressure in the public sector, particularly in the area of state-owned enterprises, new spaces will be opened to expand the activities of the private sector in the areas of agriculture, exports, mining and energy. If these private investments create jobs to compensate for the eventual reduction in the public sector, obviously the level of overall employment will not be affected.

[Question] But will that be sufficient, considering that in recent years the private sector has been largely dependent on the level of activity of the public sector?

[Answer] We will only see if it is sufficient by following the country's economic situation. The government is prepared to use flexibility in dealing with these questions and to adapt its economic policy to the economic needs. The government does not have any dogmatic attitude and is not adopting unchangeable rules.

[Question] What would be other adjustments needed to supplement the measures recently announced by the government?

[Answer] We are basically trying to give more freedom to the market and to private enterprise. Minister Delfim Neto has already announced his intention of reviewing some programs under the jurisdiction of the Interministerial Price Commission [CIP] to make the readjustment of prices more flexible. This will also be implemented gradually, because nobody should expect the government to abruptly change the course of its economic policy.

[Question] The private sector has asked for a larger portion of available resources to be channeled into the national sector of the economy, especially into the small- and medium-sized enterprises. Do you see any possibility for complying with this request?

[Answer] With the limitation of credit in the internal front and the freedom to expand on the external front--a situation that should prevail next year--some sectors of the economy, mainly the small- and medium-sized enterprises, are likely to find it harder to obtain credit. Thus the suggestion that is being worked on by the national industry confederation seems reasonable, that is, to set aside a larger portion of internal credit for the national enterprises, particularly for the small- and medium-sized companies--let's say 70 percent of total bank loans. The government is aware of that problem and is prepared to examine the questions involved very carefully.

[Question] Normally, the lifting of government controls in developing countries impacts on the consumers, and this concern now exists regarding the loosening of CIP controls. What does the government intend to do to avoid this?

[Answer] The loosening of controls on prices and interest rates is really nothing but the elimination of a series of artificial and distorting factors that escape the controls but are present in the market. The elimination of such factors will not necessarily increase market prices, nor will it make purchase and sale operations more expensive. On the contrary, their elimination may even help to lower those prices.

[Question] This year's overall expansion of credit will amount to approximately 75 percent. From this starting point, and including the government's expectations, how much greater an expansion would be considered reasonable for next year?

[Answer] This is being evaluated. We are working on the projections of the monetary budget for 1981. But continuity will be given to the policy that has been implemented during the last 6 months of 1980. In other words, there will be no credit relaxation because we would then be approving or increasing the inflation that exists today. I believe the expansion will remain within the same parameters that were set for this year.

[Question] That means the government expects 1981 to have the same percentage of inflation as 1980?

[Answer] The government is engaged in the objective of reducing inflation in 1981, but without committing itself to a specific rate of inflation. All the work will be carried out so inflation next year will be lower than in 1980.

[Question] Is there not a certain contradiction in the fact that the government is stimulating higher internal savings and at the same time trying to reduce investment?

[Answer] The government is not proposing that the volume of savings be higher than that of investments because investment in inventories is also computed within the framework of investments. By definition, the two things are rigorously the same. What we are thinking of doing is taking the resources for internal economic activities basically from the savings generated within the national economy itself and therefore reducing the need to resort to savings from abroad, which would increase the problem of the growth of the external debt.

On the other hand, within the area of state enterprises the programs that are being cut are those that had no available funds--"cutting air," as Minister Delfim Neto says.

[Question] Many economists have observed that the national financial system is not adequately structured for supplying long term resources, and therefore this will be a barrier in the implementation of several priority projects which have a long term maturity period. Do you believe the financial system should be readjusted?

[Answer] A large part of those projects of the public sector are either implemented with resources from the budget or with economic resources created within the enterprises themselves. It is not necessarily indispensable that those projects be implemented with resources taken from the market, but a large part of them can be implemented thus. And it is not only a question of long-term resources, but also of medium-term ones which can be renewed periodically in such a way that basically they will end up functioning as long-term financing. The question of readjusting the financial system is something that has been carried out over the years and gradually. The perfecting of the system is a dynamic process, but relatively slow, which is being done within the measure of the economy's needs.

[Question] Is the government concerned over the time periods of direct credit to the consumer in the sense that its reduction will help to contain consumption?

[Answer] No, that is not a problem that should worry the government very much as long as it is possible to reconcile production with the market demand. I would say that this is no longer in the government's mind now and it would be much better to let the market determine those conditions.

DECISION MADE TO AMEND SALARY READJUSTMENT LAW

PY290100 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Nov 80 p 1

[Excerpts] The decision to amend the salary readjustment law for those earning more than 15 times the minimum salary was made in Brasilia yesterday.

The session failed to have the necessary minimum quorum of 211 deputies for the amendment to be voted on in the Chamber of Deputies (the majority of the PDS [Social Democratic Party] bloc walked out of the session), and so it will be approved next Monday through aplication of the technicality whereby any law or amendment is automatically approved if it is not voted on within the time limit allowed for its discussion on the floor. The amended salary law will only need to be sent back to the Planalto Palace to be approved by President Figueiredo.

Under the amended law, the biannual salary readjustments remain unchanged for those earning up to 15 times the minimum salary per month. For those earning from 15 to 20 times the minimum salary per month, salaries will be readjusted by 50 percent of the National Consumer Price Index [INPC] (They were readjusted by 80 percent before the law was amended). For those with incomes above 20 times the minimum salary per month, readjustments will have to be freely negotiated with employers. The amended law will become effective this coming December.

FOREIGN MINISTER VIEWS HEMISPHERIC RELATIONS

PY290243 Rio de Janeiro MANCHETE 29 Nov 80 p 102, 103

[Interview granted by Foreign Minister Saraiva Guerreiro to MANCHETE correspondent Haroldo Hollanda in Brasilia--date not given]

[Excerpts] [Question] How do you anticipate Brazil's relations with the new U.S. Government of Ronald Reagan will be?

[Answer] Brazil's foreign policy is guided by principles and shaped in accordance with Brazil's particular circumstances with due regard for the evolution of the international situation. This is reflected in our attitude toward every country. Regarding the United States in particular, our relations are excellent. On one hand, these relations are characterized by the variety of questions [densidade] they involve, and on the other hand by the permanent willingness of the two countries to solve problems that spring up occasionally as is natural between countries with many-faceted relations. I see no reason for the election of a new U.S. Government to make any difference, since I believe that it is in the interest of the two countries to maintain the best relations possible and to improve them all the time. We are inclined to carry on loyal, frank and constructive relations with the Reagan government. The methods and style of government may change, but the basic and essential interests of both countries remain the same. So I believe that Brazilian-U.S. relations will maintain their high standards, as is natural.

[Question] In Latin America, does Itamaraty espouse a broad policy with all countries or a bloc policy?

[Answer] I am certain that contacts based on blocs, in search of power balances, will only beget misunderstandings and will contribute nothing to the materialization of the ideal of continental unity and integration. Latin American countries are in a privileged position to practice cooperation and solidarity, a practice that on the basis of mutual respect and good sense can be instrumental in the substantial development of our countries. The situation is a privileged one for many reasons, namely, variety of national experiences, diversity in development potentials, well-rooted principles of mutual respect and self-determination, institutional structures for cooperation (ALADI, SELA, Amazon Cooperation Treaty, River Plate Basin Treaty and other successful joint undertakings), absence of structural political conflicts, and an inclination to conciliation and peaceful solutions. It would make no sense to undermine this privileged position by inventing blocs or axes that would run against the grain of Latin American history and aspirations.

BOLIVIAN MINISTER ARRIVES TO REFUTE DRUG CHARGES

PY291345 Paris AFP in Spanish 2103 GMT 28 Nov 80

[Test] Brasilia, 28 Nov (AFP)--The Bolivian interior minister, Col Luis Arce Gomez, arrived here today to refute charges of drug trafficking made against the present Bolivian Government. A spokesman of the Bolivian diplomatic representation in this capital said that Colonel Arce Gomez will examine with local attorneys the possibility of court action against Brazilian newspapers and periodicals which have published such charges.

Before arriving in Brasilia, the Bolivian interior minister was in the United States with the same objective.

The Brazilian newspaper FEDERATION recently issued a note protesting Colonel Arce Gomez' visit to Brasilia, stating that the visit is undesirable and that he has no moral authority to bring action against any national newspaper.

PRESIDENT FIGUEIREDO INVITED TO VISIT IRAQ

PY291335 Paris AFP in Spanish 2227 GMT 28 Nov 80

[Text] Brasilia, 28 Nov (AFP)--The president of Brazil, Gen Joao Baptista Figueiredo, has been invited by his counterpart Saddam Husayn to pay an official visit to Iraq, it was reported here today. The report by the Foreign Ministry's press advisory office adds that the invitation was made through a letter from President Husayn delivered to General Figueiredo on 24 November by Fa'iq Makki Ahmad, Iraqi ambassador to Brazil.

OIL FROM IRAQI PIPELINE EXPECTED 'VERY SOON'

PY261229 Rio de Janeiro O GLOBO in Portuguese 25 Nov 80 p 1

[Text] Mines and Energy Minister Cesar Cals announced yesterday in Porto Alegre that Brazil "very soon" will begin receiving between 60,000 and 65,000 barrels of oil per day from Iraq through the pipeline which runs through Turkey to the Mediterranean. Petrobras reported in Rio that its tankers already are heading for the Mediterranean. Reports from Ankara indicate that Iraq has begun pumping oil from Kirkuk in the north to Yumurtalik on the Turkish Mediterranean coast at the rate of 657,000 barrels per day. This quantity is much more than the 506,000 barrels per day which Iraq used to send through this pipeline prior to the war with Iran. This oil pipeline has a capacity of 760,000 barrels per day.

BAN ON INDIAN CHIEF'S TRAVEL TO NETHERLANDS LIFTED

PY281726 Buenos Aires LATIN in Spanish 1510 GMT 28 Nov 80

[Excerpt] Brasilia, 28 Nov (LATIN)--Xavante Indian Chief Mario Juruna left today for the Netherlands to preside over the closing ceremony of the Bertrand Russell Tribunal, which is appraising the situation of Indians in America, after a Brazilian court last night lifted a government ban on his travel. The Federal Appeals Court's injunction lifting the government ban on Juruna's travel has set a historic precedent in the country because it holds him capable of representing his fellow Indians abroad.

The court issued the injunction by a vote of 16 to 9 after a session which was the longest in 32 years in the history of Brazilian courts. The court ruled that since Juruna is capable of reporting to the offices of government officals and of holding talks with national and foreign personalities, he cannot be regarded as relatively "incapable," as Brazilian laws regard all Indians.

It was based on a law placing all Indians under the tutelage of the state that the National Indian Foundation and Interior Minister Mario Andreazza prohibited Juruna from traveling to Rotterdam to attend the Russell Tribunal session. The Brazilian officials expressed fears that Juruna might lend himself to a political maneuver designed to tarnish Brazil's foreign image.

TROOPS SENT TO CONTAIN PROTESTING HOG RAISERS

PY290132 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Nov 80 p 15

[Excerpt] Curitiba--The army has sent troops to the western and southwestern regions of the State of Parana to contain a movement involving nearly 20,000 hog raisers who for 3 days have been stopping trucks transporting swine products to slaughterhouses. The 5th Military Region yesterday issued a communique explaining the dispatch of troops. Hog raisers are demanding a better minimum price than the one just set by the government for their product.

PERNAMBUCO UNIVERSITY JOINS NATIONWIDE STRIKE

PY290139 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Nov 80 p 5

[Excerpt] The federal rural university of Pernambuco yesterday became the 18th autonomous federal university to join the nationwide strike being held by university professors in demand for more funds for eduction, reclassification of professors' careers and a 48-percent salary increase. The decision to join the strike was made unanimously by a general assembly attended by 340 professors out of 500 professors on the university staff.

O GLOBO WARNS AGAINST WHEAT IMPORTS

PY290104 Rio de Janeiro O GLOBO in Portuguese 25 Nov 80 p 1

[Editorial: "Wheat Mill and Windmill"]

[Excerpts] Wheat imports still will weigh on the balance of payments with nearly $1 billion in 1981, and the policy of subsidizing internal consumption will cost the public treasury another 130 million cruzeiros. This is the situation at a time when the government is confronting a dramatic shortage of resources, even to make priority investments.

That is what will happen unless the government moves on from the gradual reduction of subsidies--currently 20 percent of the prices wheat mills pay to the Bank of Brazil--to total elimination, and soon.

The critical situation of our balance of payments urges upon us the need to eliminate subsidies to wheat consumption. The state of the country's economy makes it mandatory for us to focus on realistic objectives, without indulging in time-wasting fantasies involving windmills and wheat mills.

BRIEFS

ARAB LOAN--A group of Arab banks led by the Arab-Latin American Bank (Arlabank) has made available to Brazil's Central Bank a $200 million credit line. The contract was signed in Manama, Bahrain, where the Arab banking corporation has its headquarters. [Rio de Janeiro O GLOBO In Portuguese 22 Nov 80 p 21 PY]

OIL IMPORT REDUCTION--Mines and Energy Minister Cesar Cals has left for Uruguay. Before boarding the plane, he said that Brazil might be able to reduce its oil imports by 250,000 barrels per day in 1981, from the established import quota of 960,000 barrels per day. The minister added that the savings will be possible through a daily national production of 280,000 barrels per day plus 1,000 barrels of alcohol per day and coal equivalent to 30,000 barrels of oil per day. [Brasilia Domestic Service in Portuguese 2200 GMT 25 Nov 80 PY]

CONSUMER PRICE INDEX--The Brazilian Geography and Statistics Institute disclosed today the national consumer price index [INPC] for the May-October period, which will be the basis for salary readjustments due in December. The INPC is 39.4 percent, which means that the inflation rate on consumer prices went up to 90.1 percent from December 1979 to October 1980. [Brasilia Domestic Service in Portuguese 2200 GMT 25 Nov 80 PY]

BALANCE OF PAYMENTS--Through the first half of this year, the current account of the balance of payments has accumulated a deficit of $6.74 billion. This deficit stands 49.9 percent higher than last year's first half. [Sao Paulo O ESTADO DE SAO PUALO in Portuguese 26 Nov 80 p 23 PY]

GOLD, FOREIGN RESERVES--As of 30 October, Brazil's gold and foreign exchange reserves totaled $6,802,800,000. The Central Bank reported that those reserves amounted to $9,809,900,000 for the same period last year. [Paris AFP in Spanish 2244 GMT 28 Nov 80 PY]

NEW 3D ARMY COMMANDER--President Joao Baptista Figueiredo has signed a decree appointing Gen Antonio Ferreira Marques as new commander of the 3d Army, replacing Gen Antonio Bandeira who was compulsorily transferred to the reserves after completing 12 years in the rank of general. General Marques has been chief of the engineering and communications department. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Nov 80 p 8 PY]

SENATORS' CHANGE OF PARTY--Senators Saldanha Derzi and Jose Fragelli today announced in Congress that they have switched from the progovernment Social Democratic Party to the Popular Party. [Brasilia Domestic Service in Portuguese 2200 GMT 21 Nov 80 PY]

BELAUNDE STRESSES JOBS, DEVELOPMENT PROGRAMS

PY011917 Lima Radio America in Spanish 1200 GMT 1 Dec 80

[Excerpts] This is a report by (Fernando Vazquez) from ICA. President Fernando Belaunde delivered a speech during the closing ceremony of the 19th annual executives' conference. President Belaunde said that his government will give high priority to programs to create new jobs and will support the construction industry and agricultural development.

The chief of state said regarding employment that the people have the right to know what benefits to expect from the new government measures. Regarding production, he said that agriculture and livestock have priority. He also talked about highway projects in the eastern section of the country and the Lima area to connect the (Pise) and Palcazu valleys, main food production areas. The chief of state also expressed concern over unemployment but said that when the new projects are implemented, many new jobs will be created. During his speech, the president also emphasized the importance of the recent municipal elections.

[Begin Belaunde recording] The great efforts made have strengthened the constitutional regime and a civilized way of life. The democratic structure of Peru has been completed, and people abroad are now well aware of it. Since the last elections, we are convinced that Peruvian credit and the respectability of the country--a respectability not represented by us but by the people--have been strengthened. This respectability is going to give many benefits to the country. We must be aware that large credit operations can now be contracted, that is, harmless, long-range credits favorable for the country. This is why now is an important time and why we must take advantage of it. I am happy to see that an environment of brotherhood prevails in the country and that a state of legality has been created. This legality can have its ups and downs and is even subject to criticisms and [word indistinct] but it is a legitimate respectability. As [name indistinct] said, this is something which should make all Peruvians happy because we have opened the doors of the law, therefore, we now have the right to close the doors of violence. [applause] I hereby close this congress and I vow to attend next year's meeting. [applause] [end recording]

POLISH LABOR LEADERS CITE LABOR 'UNIFICATION'

PA282124 Lima EL COMERCIO in Spanish 20 Nov 80 p 1

[Text] Upon their arrival in Lima yesterday, Jozef Pezybylski and Zygmunt Zawalski, leaders of Poland's Solidarity Union headed by Lech Walesa in Gdansk, said the Polish labor unions are on their way to complete unification.

They represent 8 million out of 12 million workers and this is the first labor delegation that has traveled abroad after the recent labor incidents in that country. They said that they came in response to an invitation from the 18th Council of the Latin American Workers Federation which will be held in Lima on 28 November and will be attended by 30 countries.

According to Zawalski and Pezybylski, they never feared a Soviet invastion. They noted that the Polish labor movement is moving toward total unification at the national level. They also said that in the beginning they had a "strike committee" but it later became an organizing committee. They stressed that their movement was strictly labor oriented and not political.

MINISTER NOTES POSSIBLE RECOGNITION OF BOLIVIA

PY291448 Lima Radio America in Spanish 1200 GMT 29 Nov 80

[Text] Foreign Minister Javier Arias Stella has stated that the possibility of the Peruvian Government recognizing the Bolivian military government is being studied by our Foreign Ministry, which is (?evaluating) the situation in that country. The Foreign minister will accompany President Belaunde on his trip to Santa Marta, Colombia, for the commemoration of liberator Simon Bolivar's death.

URUGUAYANS REJECT NEW CONSTITUTION IN PLEBISCITE

PY011103 Buenos Aires LATIN in Spanish 0733 GMT 1 Dec 80

[By Santiago Gonzalez and Becquer Puig]

[Excerpt] Montevideo, 1 Dec (LATIN)--The Uruguayan people drastically rejected the new constitution in the plebiscite called for yesterday by the civilian-military government, according to official counts made public early this morning of 90 percent of the valid votes cast. With 1,619,611 votes counted in 5,955 electoral districts out of a total of 6,171 throughout the country, votes for no amount to 865,540 and votes for yes amount to 632,206, as reported by the Interior Ministry. Those figures represent 58 percent voting no and 42 percent voting yes.

The number of citizens qualified to vote is 1.9 million. Taking into account the number of abstentions, only 10 percent of the votes cast remain to be counted.

No street demonstrations have been staged so far in Montevideo because of the express governmental ban in force. Such demonstrations were customary in similar situations in the past.

President's Statement

PY020153 Paris AFP in Spanish 0111 GMT 2 Dec 80

[Text] Montevideo, 1 Dec (AFP)--Uruguayan President Aparicio Mendez said today that the victory of the votes against the constitutional draft is more a defeat for the people than for the government.

The president added that this decision will delay a series of solutions provided for in the constitutional draft, and that this means that everything that has been proposed will have to be revised. He also noted that the referendum closed a chapter and that now the process has more freedom of action since it does not have to follow the guidelines established by the constitutional draft that was rejected.

Mendez also said that by rejecting the constitutional draft the people have also rejected the holding of presidential elections in 1981, since this was also established in the consitutional draft.

In a message to international public opinion, Aparicio Mendez noted that the Uruguayan civilian-military government has kept its promise of granting a political opening and that it has the firm intention to continue working for the well-being of the Uruguayan people.

He said that he believes world opinion at incernational forums is divided between those countries which have been infiltrated by terrorism and those countries--with objective opinions--which have not yet been subjected to communism.

Navy Commander's Reaction

PY020032 Paris AFP in Spanish 2030 GMT 1 Dec 80

[Text] Montevideo, 1 Dec (AFP)--The commander in chief of the navy, Vice Adm Hugo Marquez, has stated that as a Uruguayan and a democrat, I accept, I obey and I adhere to the negative vote in yesterday's constitutional referendum.

This is the first official reaction of a member of the civilian-military government to the negative results of yesterday's voting. Marquez stressed that freedom has not been suppressed as much as they say abroad. He termed the popular vote, the first in 9 years, as an opening in which there was freedom to give an opinion regarding yes and no and then choose.

The government, Marquez stressed, "honestly prepared an election and no one here, not even the most furious enemy, can talk about fraud, such as we have observed in many countries where the results were fixed, questioned."

The armed forces, he emphasized, have nevertheless carried out that they had promised and they submitted a constitution so that the people could say whether they liked it. And the absolute reality is that the nation does not want this constitution and that the armed forces political schedule will suffer a complete overhaul that will have to be studied. Consequently, he refused to answer whether next year's presidential elections will be held, regarding quick authorization allowing the political parties to function again and regarding the rehabilitation of banned politicians.

The latest official figures regarding the referendum, without counting 29 balloting booths and 110,419 observed votes, give an undeniable advantage of 243,486 votes to no.

A total of 1,944,951 citizens had been authorized to vote, and there was an unofficial figure of a 10 percent abstention, so 1,648,753 people voted according to those figures.

Former Minister's Comments

PY020109 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2140 GMT 1 Dec 80

[Text] Montevideo, 1 Dec (NA)--The former interior minister and a "key man" in the project for constitutional reform, Col Nestor Bolentini, (?has stated, regarding the result of yesterday's referendum, that it) "implies the need to carry out a complete overhaul in seeking a solution that will allow the nation to achieve total democracy."

Boelntini, who is also a lawyer, was interior minister 7 years ago during the dramatic time that followed the closing of congress and the fall of the constitutional government.

"I confess that I was surprised by the negative vote. I was convinced that 'yes' would win but I am satisfied because the result is the faithful expression of what our people have decided," Bolentini said.

"From now on," he stressed, "and in the light of this important demonstration, there is the need for a complete overhaul in seeking a solution that will allow the nation to achieve total democracy. I am not talking about periods of time but, yes, of the need to study what has already been done in the light of this demonstration," he added.

Bolentini, who is currently retired from active service, but whose ideas are always taken into account by his comrades in arms, stressed that the armed forces "have kept their word" regarding the call to stage the referendum and he emphasized the cleanness of the voting and the civic will of the country's people.

"The result of the plebiscite is the decision of popular will. It is the legitimate expression of the majority and the armed forces understand it. We must now work together in order to implement, I repeat, the measures that will lead our nation to a definite democratic path."

Jurists Group's Statement

PY020218 Paris AFP in Spanish 1317 GMT 1 Dec 80

[Text] Paris, 1 Dec (AFP)--The International Secretariat of Jurists for Amnesty in Uruguay (SIJAU) issued a statement here today noting that the rejection of the constitutional draft proposed by the Uruguayan civilian-military regime is a very important event for Uruguay and all Latin American countries.

The statement adds that the negative vote clearly expresses a rejection of the so-called restricted democratic regimes. The statement also praises the courage of the people in voting this way after 7 years of a fierce dictatorship.

SIJAU also called on people to watch over their decision so that it is not disavowed and so it may also serve as a basis for a general and unrestricted amnesty.

The statement notes that there are 2,000 political prisoners in Uruguay and it appeals to international organizations to demand lists of missing persons, the lifting of bans on political activity, the return of refugees and the enforcement of civilian rights.

ARMY COMMANDER REVEALS NEW SUBVERSIVE MOVEMENT

PY281736 Montevideo Radio el Espectador Network in Spanish 1600 GMT 28 Nov 80

[Text] Visits by relatives of subversive elements imprisoned at Libertad penitentiary are normal, although more strictly controlled. This was stated by the commander of the 2d Army Division when he revealed that there is a subversive plan headed by several of those confined in the prison. He added that the new movement, which calls itself the Six-Point Movement from the six points it pursues, is a continuation of the Tupamaro movement. Gen Julio Rapela also said the number of members of the new subversive group is estimated at 500 subversives, including those confined in the prison, those who have not yet gone underground, and others both inside and outside the country.

The organization was discovered during the interrogation of a subversive who had been detained but who was thought abroad to have disappeared. (?General Rapela) further said that several Uruguayans are members of the Simon Bolivar Commando which, having been active in Nicaragua, is now in some Central American country. He also revealed that 12 Uruguayans, whose identity he did not give, [words indistinct] guerrillas in Angola.

In another part of his statement, General Rapela said: [Begin recording] Subversion is aware of the fact that if the "no" wins the exceptional situation will continue in which the government has had to function. The subversives will continue to have the Marxist pretext of (?accusing) the government of dictatorship, oppression and fascism. If the "yes" wins, the effectiveness and the arms to discover and thwart subversive plans will continue on the same level as now with the difference that the government will no longer be exceptional. The subversives know all this. [end recording]

COMUNBANA, SFRY MISSION CONCLUDE 5-DAY MEETING

PA301559 Panama City LA ESTRELLA DE PANAMA in Spanish 23 Nov 80 p B-13

[By Rolando Gabrielli]

[Excerpts] Aleksandar Broz, head of the Yugoslav commercial mission which for 5 days met with management of the Multinational Banana Marketing Corporation (COMUNBANA) in this capital, disclosed that both parties agreed to increase the list of products included in their commercial exchange agreement.

In an exclusive interview Broz, the son of the late Yugoslav President Tito, talked about the prosperous commercial relations with COMUNBANA and its member countries, commercial exchange with Latin America, postwar Yugoslavia, the world's economic situation and his country's relations with developing nations within the nonaligned movement.

He said that a Panamanian company interested in the mutual exchange agreement has asked Yugoslavia to build five oil tankers with a capacity of approximately 50,000 to 70,000 tons and that Honduras wants to acquire production equipment for processing vegetables and fruits, which are important for countries that are producing agricultural products.

When asked about the possibility of increasing economic cooperation in the technological field, Broz said that the countries that would buy the processing equipment for vegetables and fruits will also receive technological cooperation from his country not for manufacturing the machinery, but also for the processing of the products.

Yugoslavia and COMUNBANA also agreed to exchange information which will permit both parties to know their needs so that their exchange can be broadened in a more precise way.

From their conversations it was learned that COMUNBANA's policy is to protect the region's commerce, particularly the products from its member countries: Colombia, Costa Rica, Honduras, Nicaragua, Panama, and the Dominican Republic.

COMUNBANA management has recognized the advantages of the Yugoslav market for their product which offers a good price throughout the year which benefits the producer.

It was also made clear during the recent conversations that the visit of the Yugoslav mission is a continuation of the cooperation which already exists and which so far has broadened and strengthened commercial relations between COMUNBANA and Yugoslavia.

BELIZE

MINISTERS TO TRAVEL TO VENEZUELA FOR TALKS

FL290200 Belize City Domestic Service in English 0100 GMT 29 Nov 80

[Text] The minister of trade and industry, the Honorable Guadalupe Pech, and the minister of natural resources, the Honorable Florencio Marin, will leave Belize tomorrow on their way to Caracas. The two ministers will be meeting with their counterparts in Venezuela to hold discussions of mutual interest.

COSTA RICA

CUT HOLDS RALLY TO PROTEST COST OF LIVING

PA020257 San Jose Radio Reloj in Spanish 0100 GMT 2 Dec 80

[Text] The United Workers Federation [CUT] held a rally at Central Park in San Jose this evening in opposition to the rising cost of living and of public services.

The CUT leaders called for an immediate price freeze during the rally which had a poor turnout. They also asked the communities and neighborhoods to get organized and oppose the hike in busfares and water and power bills. They also said they will challenge any increase in the cost of public services.

Rodrigo Urena, a United People's Coalition deputy and CUT secretary, was one of the main speakers during the rally.

EL SALVADOR

GOVERNMENT REFUTES ARCHBISHOPRIC COMMUNIQUE

PA012031 San Salvador Domestic Service in Spanish 1200 GMT 1 Dec 80

[Government communique issued 1 December]

[Text] In view of the fact that statements contained in a communique issued by the legal assistance office of the Archbishopric of San Salvador regarding the kidnapping of Revolutionary Democratic Front [FDR] leaders from this office, located in the San Jose School, an educational center run by Jesuit priests, do not conform to facts, we consider it our duty to refute those statements.

In the first place, the statements contained in the communique contradict the testimony rendered by Father Jose Santamaria, San Jose School principal, to national police inspectors in charge of the investigations. According to Father Santamaria, he arrived at the school at 1140 on 27 November, where he was held at gunpoint by four men armed with rifles. They went through his papers, searched his car and then forced him to lay face down until they left. At no time did he see any men in uniform. The men, who held him up, wore civilian clothes and had their faces covered, Father Santamaria told the police inspectors.

Similar testimony was given by Doris Martinez, who is in charge of the archbishopric legal assistance office, and guard Jose Obdulio Torres Martinez, who did not say in their testimonies that the kidnappers wore uniforms. This, therefore, is totally capricious and untrue. The statements issued by the archbishopric legal assistance office make accusations without foundation other than its particular way of arriving at conclusions.

Unfortunately, what the archbishopric legal assistance office has said in its communique does not contribute any positive clue to solving the case. An analysis of its statements shows that its only interest is to support a specific political cause. The revolutionary government junta strongly rejects this and any other accusation based on suppositions that do not conform to facts of this regrettable incident, as those disseminated by Radio Moscow, Radio Havana and some foreign correspondents who openly lied when they said that the San Jose School building was surrounded by men in uniform while the kidnapping took place.

Hundreds of persons, among them students, priests, neighbors and other witnesses, have categorically asserted the falsity of the versions being disseminated in favor of an unpopular cause in El Salvador, on the certainty that any explanation made later on will not erase the damage already done.

On many occasions the government has said that it is opposed to all types of violence. It is absolutely convinced that this is not the path for the total reconciliation of the Salvadoran family, now anguished by the abuses and crimes carried out by the ideological extremes opposed to the measures of social justice sponsored by the revolutionary government junta on the basis of a general consensus of all social sectors of the republic.

In summary, the archbishopric legal assistance office is trying to distort the facts involving the kidnapping and is showing a lack of responsibility by making a number of biased statements to create doubt in the minds of the people and to blame the government and security corps, which are absolutely innocent, for the kidnapping and assassination of FDR leaders.

Their deaths should be attributed to those promoting violence, either to maintain their traditional and unjust privileges or to set up a totalitarian dictatorship in the country. The people, locally and abroad, must clearly understand that the archbishopric legal assistance office is not acting lawfully, correctly or with legality, responsibility and impartiality, due to such an institution.

ARMY VOWS TO COMBAT LEFTIST INTIMIDATION

PA292305 San Salvador LA PRENSA GRAFICA in Spanish 30 Nov 80 pp 3, 16

[Excerpts] The armed forces are prepared to defend the Salvadoran people, even at the cost of life, against anything which threatens their safety, a spokesman for the institution said yesterday.

The source indicated that the armed forces has made this announcement in view of threats from leftist organizations which, through terrorism and other disruptions, seek to intimidate the people.

He added that these threats were made after it was learned that the Maximiliano Hernandez Martinez Brigade had first kidnapped and then killed well-known leaders of leftist organizations that are operating in the country.

The source said emphatically that the government had nothing to do with this collective crime, but it will not remain indifferent to these threats, which are directed against the Salvadoran people.

Lastly, the source added that henceforth, if the extremist groups plan to continue causing disturbances and carrying out actions to disrupt order, they will be fought with the vigor and force that each case requires. The people can feel supported by their armed forces, he said.

Ground, Air Patrols

PA292332 San Salvador Domestic Service in Spanish 1800 GMT 29 Nov 80

[Text] The Armed Forces Press Committee has reported that on Wednesday units of the Salvadoran Air Force began night air patrols. It was explained that the air patrols would operate mainly in the San Salvador metropolitan area and surrounding rural areas and that infantry and mechanized units will conduct similar patrols on the ground. This will guarantee the people protection against extremist attacks. The air patrols were begun with several jets, which have been equipped with special equipment for night flying.

BUS OWNERS WARN OF POSSIBLE SUSPENSION OF SERVICE

PA020030 San Salvador Radio Cadena YSKL in Spanish 1245 GMT 1 Dec 80

[Text] In less than 48 hours, 20 urban and rural buses were destroyed, according to reports from the authorities in the interior of the country.

The bus-routes owners claim that such a practice has become common in the popular sectors whenever incidents such as the death of the FDR leaders take place. We will be forced to suspend service if they continue to burn the buses. In fact, we shall do it indefinitely, the bus owners said after an emergency meeting today.

SECOND PHASE OF AGRARIAN REFORM UNDER STUDY

PA301446 San Salvador LA PRENSA GRAFICA in Spanish 22 Nov 80 p 5

[Text] Jose Napoleon Duarte, a member of the revolutionary government junta, recently announced that the Agriculture and Livestock Ministry (MAG), the National Technology Center (CENTA), the Salvadoran Institute of Agrarian Transformation (ISTA), and other organizations connected with the agrarian reform are currently conducting studies to further the second phase of this program.

According to him, five alternatives are currently being considered in connection with this second phase of the agrarian reform. Each of these alternatives is being carefully studied and analyzed by several organizations in order to guarantee that the one chosen generates more prosperity for the medium-sized and small farmer as well as for the Salvadoran people in general.

No additional details can be provided yet, as this second phase is currently the object of studies and technical planning by MAG, CENTA, ISTA and a number of other organizations directly concerned with the achievements and goals of this program.

It must be borne in mind, Duarte added, that the Salvadoran agrarian reform is not a short-term process. For this reason, its scope and programs must be carefully studied in order to choose or implement the best among them.

He also said that this year's basic grains harvest has been successful, and he expressed his confidence that the coffee, sugarcane and cotton harvests will also be good.

JUNTA TO ATTEND TREATY RATIFICATION CEREMONY

PA281525 San Salvador Domestic Service in Spanish 1230 GMT 28 Nov 80

[Text] It has been officially announced that the members of the revolutionary government junta will attend the solemn ceremony in Tegucigalpa on 10 December at which the federal peace treaty between El Salvador and Honduras, signed in Lima, Peru, by the foreign ministers of both countries will be ratified.

It was also announced that, until certain prerequisites included in the clauses of this document are implemented, there will be no movement of people or merchandise between the two nations.

With the reestablishment of diplomatic relations, appointment of ambassadors, consuls and the establishment of the respective immigration offices for the processing of documents, it will be possible to travel from El Salvador to Honduras and vice versa, but everything requires a little more time.

ODCA EXPRESSES SUPPORT FOR SALVADORAN JUNTA

PA292326 San Salvador LA PRENSA GRAFICA in Spanish 29 Nov 80 p 68

[Message sent to junta member Jose Napoleon Duarte Fuentes from the Christian Democratic Organization of the Americas--date not given]

[Text] Napoleon Duarte, revolutionary government junta, San Salvador.

The 11th meeting of the executive committee of the Christian Democratic Organization of the Americas (ODCA) unanimously resolved to express to you the fact that we regret your absence and wish, through your offices, to extend to the Salvadoran Government and people our support and solidarity in your efforts to establish a process of democratization, the progress of which we are happy to see.

Cordially, Aristides Calvani, secretary general, ODCA.

BRIEFS

COFFEE RUST--San Salvador, 20 Nov (ACAN-EFE)--New outbreaks of coffee rust have been detected on coffee farms in central El Salvador, officials of the Coffee Research Institute have reported here. The outbreak has been detected in Santiago Nonualco, San Pedro Nonualco and San Juan Nonualco, in an area 56 km southeast of here. It seems to be a more serious and extensive outbreak that that spotted in the east. Another area hit by the blight is Sonsonate Department, about 100 km from the Guatemalan border. [Panama City ACAN in Spanish 1732 GMT 20 Nov 80 PA]

GUATEMALA

PAPER SAYS PRICES CAUSING 'UNBEARABLE' SITUATION

PA282329 Guatemala City PRENSA LIBRE in Spanish 20 Nov 80 pp 10, 26

["Vox Populi" column by Maurico Menendez V.: "Unbearable Economic Situation"]

[Excerpts] The threat of new taxes and the unstoppable spiraling of consumer goods prices are causing an unbearable economic situation in this country that could have unforeseeable effects on the nation's development.

While U.S. President-elect Ronald Reagan is announcing a tax cut as his government's first step, we see that here the exact oppposite is happening; there is the possibility of new taxes. These, of course, are rejected by the citizens, who do not accept the arguments of the minister of finance to obtain the approval of congress.

A very curious phenomenon is occurring in Guatemala: The price of some staple goods goes up every morning.

The classical reply of the people who sell these goods (and who control the grains business) is limited to: "We have to make some profit on sales and we have to pay out a lot of money because of the increase in the price of fuel and petroleum byproducts...." "Tell the government to lower that price and we will sell at lower prices."

We think we know exactly what is happening: Some wholesale dealers prefer to export grains (beans, corn and so forth) to neighboring countries, where they get better prices for these articles. Naturally, grains are in short supply in the domestic market. Furthermore, what little there is left is sold at prices four times higher than the original price.

Many factors are contributing to this economic situation. Most of all, there is a lack of action on the part of the government which is not imposing an economic dictatorship by freezing the price of all consumer goods and closing down the stores which violate established prices.

A series of energetic economic measures should be imposed immediately instead of attending international gatherings that resolve nothing because, while leaders meet, the price of popular foods continues to go up and it is the people, who no longer know what to do, who suffer the consequences. If prices continue to go up, we will have widespread malnutrition because people cannot buy things at the whimsical prices established by suppliers. And a nation in this situation is very dangerous....

GUERRILLAS CAUSE LOSSES TO SOUTHERN FARMERS

PA012054 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 1 Dec 80

[Text] Farmowners in the southern coastal area have estimated that the wave of attacks and guerrilla activities so far this year have resulted in the death of about 15 people on farms located along the southern coast and have caused over 5 million [no currency given] in losses.

The situation is serious because the subversive groups have set fire to several farms and have killed a number of people not only along the southern coast but also in the west.

Several farmowners have indicated that, to make matters worse, criminal activity has left them without money to pay the workers, many of whom have been dismissed to make up for the losses and damages which have been endured.

HONDURAS

GOVERNMENT TO ASSIGN TOP PRIORITY TO AGRICULTURE

PA292357 Panama City ACAN in Spanish 1425 GMT 29 Nov 80

[Text] Tegucigalpa, 29 Nov (ACAN-EFE)--Gen Policarpo Paz Garcia, president of Honduras and chief of the armed forces, will direct the agricultural policy committee effective today.

As announced in an executive decree, the government has decided to give top priority to implementation of land reform and other agricultural projects as a fundamental basis of the country's economic development.

The decree orders closer cooperation between the different ministries and other government agencies linked to agricultural development. It states that, in the absence of the president of the republic, the committee will be headed by the executive secretary of economic planning.

The committee is made up of the secretaries of state for natural resources, finance and public credit, economy and commerce and economic planning and the director of the National Agrarian Institute. However, when other state secretaries are involved, the committee will be expanded to include the proper secretaries, the degree states.

CENTRAL BANK IMPOSES HARSH CURRENCY RESTRICTIONS

PA300424 Panama City ACAN in Spanish 2314 GMT 29 Nov 80

[Text] Tegucigalpa, 29 Nov (ACAN-EFE)--The board of directors of the Honduran Central Bank has imposed currency restrictions in the country starting on 1 December.

The measures adopted by the bank include a ceiling on the sale of foreign currency and a ban on accepting letters of credit issued by Central Americans in favor of Hondurans unless these are backed by real exports. "The sale of currency is authorized up to $5,000 in each case, be it for an individual or a corporation," states the Central Bank order to the private banks in the country.

In the same fashion, "the sale of foreign paper currency can be made only to persons who are traveling abroad and for amounts no greater than $100 per person, after they show a passport with a proper visa."

Exporters, who receive foreign currency in payment for operations, are obliged to surrender all foreign currency so acquired under the new system. The Honduran Central Bank has also asked for the cooperation of the Finance and Public Credit Secretariat in order to establish "the necessary complementary measures to implement these regulations."

COMMENTARY: ECONOMIC ILLS RESPONSIBILITY OF ALL

PA011536 Tegucigalpa Domestic Service in Spanish 1130 GMT 1 Dec 80

[Station commentary]

[Excerpts] The so-called fourth Caribbean conference was held 23 to 25 November in Key Biscayne, Florida. A number of Central American and Caribbean rulers and official delegates attended the event.

Ambassador Rubin Askew, former governor of Florida, said on this occasion: With the Central American and Caribbean nations we share many common interests derived from our common economic problems. To various extents, (?he said) all of us are faced with the problems resulting from slow growth, the high unemployment rate, the shortage of capital and the constant fuel price hikes. All of us, he added, are victims of an unpredictable world economy that necessitates constant adjustments both domestically and internationally.

We have referred to this because its concepts are valid in making a calm appraisal of our country's current economic situation.

The situation has become more difficult for all of us and the time has come to reflect and to make necessary adjustments in the national economy in order to reasonably curb the domestic situation while there is still time and the crisis can be handled in accordance with our current conditions and capacity.

(?Perhaps) some political sector wants to take advantage of this time to create alarm and panic among the people by circulating rumors and reports that are far removed from reality. However, as Economy Minister Ruben Mondragon has repeatedly stated, our economic situation is better than that of the other Central American countries. Through a number of special institutions, the government is taking the necessary measures to control the country's economic and financial situation and it has given strict orders that absolute administrative austerity should be maintained.

As Jamaican Prime Minister Edward Seaga said in Miami, development and the private sector's investments in the country's economy are necessary. The state cooperates with the private sector by guaranteeing its investments.

To a large extent, our ability to overcome the present crisis and to preserve the domestic peace and the security of the democratic institutions depends on the patriotic and positive attitude of all citizens at this point. The responsibility lies with all Hondurans, not just with the government.

NICARAGUA

PETROLEUM AGREEMENT WITH VENEZUELA ANNOUNCED

PA010244 Panama City ACAN in Spanish 2345 GMT 30 Nov 80

[Text] Managua, 30 Nov (ACAN-EFE)--Venezuela has agreed to extend the deadline for payment of a $30 million loan that was used to strengthen this country's balance of payments, it was reported today.

Sergio Ramirez Mercado, member of the Nicaraguan junta of national reconstruction, told the press he had talked to Venezuelan President Luis Herrera Campins twice yesterday during a trip he made to Venezuela. Ramirez reported that on both occasions they had discussed the general political situation in Central America, particularly in connection with the takeover of U.S. President-elect Ronald Reagan.

The heads of state discussed the trip Herrera Campins has planned to make to Tegucigalpa, where the exchange instruments of the Honduran-Salvadoran peace treaty are to be signed 10 December. Herrera Campins said that if he makes the trip, both on his way to and from Tegucigalpa he will stop in Managua to sign a new petroleum cooperation agreement between Venezuela and Nicaragua. Ramirez said Nicaragua also will send a delegation to the treaty-signing ceremony in Tegucigalpa.

Ramirez stated that since relations between Nicaragua and the United States are normal, his country will be invited to the inauguration of President-elect Ronald Reagan. "We will necessarily have to send a high-level delegation to that ceremony," said Ramirez. Ramirez explained that the deadline for paying Venezuela ends in December, but has been extended to the end of January 1981.

The cooperation agreement between Nicaragua and Venezuela will eliminate the U.S. Esso Company as middleman in the marketing of petroleum, which will then be done directly between the two governments.

The agreement is for a total of 3 million barrels of crude a year to be supplied by Venezuela. The other half of what Nicaragua consumes will be supplied by Mexico. Venezuela is granting Nicaragua a 30-percent credit for acquiring a total of 3 million barrels of crude.

Ramirez told ACAN-EFE that President Herrera Campins was concerned because the Iran-Iraq war may affect OPEC, with more blows to the price of petroleum. The Nicaraguan head of state said hikes in petroleum prices are more detrimental to the poor countries. He also pointed out that Venezuelan-Mexican petroleum cooperation with the Central American countries partially protects these countries against rises.

CLERGY MUST OBTAIN PAPAL APPROVAL TO RETAIN POSTS

PA290116 Panama City ACAN in Spanish 2111 GMT 28 Nov 80

[Excerpt] Panama City, 28 Nov (ACAN-EFE)--Managua Archbishop Miguel Obando y Bravo said here today that clergymen who hold high government posts in Nicaragua have until 31 December to obtain approval from the Vatican if they wish to continue in their posts. Obando y Bravo is here attending the biannual meeting of the Central American episcopal secretariat which about 40 bishops are attending. The superiors of religious orders have attended the first study sessions.

Obando y Bravo, who is accompanied by Bishop Pablo Antonio Vega of Juigalpa, Nicaragua, told newsmen that the state of emergency in Nicaragua is over and that clergymen will not be able to engage in active and partisan politics without expressed approval from the pope. Obando said, "We cannot raise anything to the level of an idol, not even the revolution, because idols enslave men."

Bishop Vega said, "We have seen positive elements in the Nicaraguan revolutionary process and we have encouraged them. However, this does not prevent us from pointing out mistakes when they are made." Vega also said that in Central America the church does not make or overthrow governments, but it does point out situations where governments violate social justice.

Obando y Bravo said that religion is on the increase in the country, although atheist orders are being issued in some departments in Nicaragua. Obando y Bravo said, "The Nicaraguan rulers are not attacking religion directly, although they are trying to replace it with a sociopolitical mystique."

Further Report

PA011420 Managua Radio Sandino in Spanish 1200 GMT 1 Dec 80

[Text] Speaking to members of Christian base communities in Managua, Msgr Bosco Vivas disclosed that priests holding cabinet posts in the revolutionary government will be asked to give up their position and to return to their religious duties. He announced this when the community leaders asked him to explain the reasons for the church taking this action. One of them told Monsignor Vivas that it was their opinion that priests and nuns participation in the government was very positive because they were working for the people with true love; besides, he added, we feel that they are doing as good a job as they can do in their respective parrish.

Monsignor Vivas explained to them that this was a decree that was issued by the late Pope Paul VI. The community leaders asked Monsignor Vivas why was the church making the decree effective now, when during Somozism it not only allowed priests to participate in Somoza's government but also to accept military ranks granted by the dictator?

SOCIAL WELFARE MINISTER APPEARS ON 'DIRECT LINE'

PA291506 Managua Radio Sandino in Spanish 0200 GMT 28 Nov 80

["Direct Line" phone-in program with questions answered by Social Welfare Minister Father Edgardo Parrales Castillo--live]

[Excerpts] [Question] I wish to ask what you think of individuals who oppose the revolutionary process and who say that we have a Marxist-Leninist and therefore an atheistic government and that it is inconceivable that priests like you should be serving it.

My other question is: How many child care centers exist in the country and what is the Social Welfare Ministry doing about establishing some new ones, since mothers need a place to leave their children in order to go to work? Another question is: What is the ministry doing for children who sniff glue, are drug addicts or vagrants in general? Sometimes they are put in jail, but since they are later released, the problem is not solved. On the other hand, conditions in the jails have hardly changed, not to mention relations among prisoners. What is the Social Welfare Ministry doing to change the situation in the prisons? Thank you very much.

[Answer] Dear companero, I am going to try to answer each of your questions. In the first question, you make an emphatic statement, which obliges me to clarify something. You ask what priests are doing in a Marxist-Leninist government. In other words, you are expressing a categorical opinion, but it would be necessary to ask on what basis you make this statement, whether on the basis of government programs, of laws which establish that the government is Marxist-Leninist or on just what basis. One would ask if the very structure is Marxist-Leninist because, if some or all--let us suppose, for example that all the leaders--of the government were Marxist-Leninist, this does not necessarily mean that the government itself is Marxist-Leninist. This is a general concept. But the fact is that in all the structures of the revolutionary government, there are some people who are Marxists and there are some who are Christian. Therefore, one cannot say that the government is of Marxist tendency, nor can it be said that all the people are Marxist. If we have all participated, if the Christians have actively participated on the front line in the preinsurrection and insurrectional phases, why should we not participate in completing a job that was begun with much sacrifice, much pain, and much love many years ago and still requires our presence, action, and solidarity? If we are in a position to contribute, why should we not do so?

[Question] I am Fernando Sanchez. I wished to ask Father Parrales about a statement in a magazine to the effect that the nuncio said that the place of the priest is the one given him by the church when he becomes a minister. [as heard] This is apparently the position of the bishops. My question is: At the end of the time specified--I read in a newspaper that it would be the end of December--what position will Father Parrales take, whether he will remain in the post of minister or if he will devote himself strictly to the priesthood? That is all.

[Answer] My dear Companero Fernando Sanchez, first, I would like to respond to the first part of your question. On the one hand, referring to what the nuncio said, which you indicate that you read in a magazine, everything would depend on how one looks at the essence of the priesthood and the mission of the priest.

If we hold the concept--which is deeply rooted in the present theology of the church--that the priest belongs solely in the sacristy and at the altar, that sacramentalist view, then those people would be right. But this is not the criteria, the guidance, the meaning of the new approach of the church, not only toward the status of the priest, but also toward the very essence of the church.

Therefore, by serving as a minister, as a teacher, an athlete, a priest, a chauffeur or whatever, I would not be working against my mission as a priest. The only way I would be working against my mission as a priest would be for me to indulge in actions that are scandalous, sinful, or inconsistent with my dedication to holiness, to the promotion of the values of the spirit, to the promotion of the values of the gospel.

Regarding your other question, clearly, if there is not an essential, absolute contradiction between being a priest and being a minister, those say that there is such a choice are mistaken. The choice is not between opposites. In other words, there is a choice between opposites when there is good and bad, but when two things are different, but not opposing, there is no reason to establish these absolute or emphatic choices or alternatives.

In any case, you will understand that, as Christian morality itself teaches us, there are two basic guides to human conduct--an external guide, the law or authority, and an internal guide, the conscience.

The ideal thing would be for man to always try to combine the two criteria of morality, that is, authority and conscience in his lifestyle. If man is guided only by the criteria of authority, he becomes depersonalized, and is therefore denied freedom and free will. If, on the other hand, man allows himself to be guided only by his conscience, man becomes subjective [subjetivo], or runs the risk of becoming subjective. Therefore, I tell you honestly that the situation has not arisen, except at the level of speculation. I have not received that definitive, emphatic categorical decree from my superiors. I have only heard rumors of it, mere rumors that at times are nourished by people with ill intentions who want to utilize religion for cheap politicking.

In any case, I can tell you one thing for certain. If this situation should arise, I would ask God for sufficient enlightenment to allow me to combine the two guides--the external criteria, or the morality that comes from the law or authority, and the criteria of the conscience, in order to come up with an adequate and balanced response.

[Question] I am Domingo Lopez from Chinandega. Father Parrales, yesterday the State Council discussed a new adoption bill. What will be the philosophy of the new law? Is it necessary to have an adoption law in Nicaragua? Another question: What is being done with the Salvadoran refugees, how many of them are there, and why is there not much information released about your efforts? Thank you very much.

[Answer] In the first place, with regard to the adoption law, I wish to say first that there must be an adoption law. Every country in the world has an adoption law. In other words, if in some country the handling of certain social problems were left unregulated, or left up to improvisation, you can realize what would happen. In countries having a large population, if the solution of problems were left to be solved spontaneously or charismatically, there would be real confusion.

As a small country, we have even more reason to be organized and structured, especially since we are emerging from the status of an underdeveloped country and are trying to develop. This is nothing new. We have an adoption law already. We are preparing an amendment, that is, a new law because the existing one has an inadequate focus, a mistaken focus, a focus that does not give a satisfactory solution to the situation of abandoned or orphaned children.

As far as the Salvadoran refugees are concerned, we are certainly paying attention to them. At present we are caring for some 2,000 Salvadoran refugees in close cooperation with private organizations like Caritas, CONFER [Nicaraguan Conference of Priests and Nuns], ECLA and at the same time with the broad cooperation and economic support of the United Nations under a program sponsored by the UN High Commission for Refugees. These organizations are bearing the major economic burden for helping the refugees.

The thing is that many Salvadoran refugees enter the country and then disperse. What we do first is try to locate them, to find out who they are and how many of them are here. In other words, we try to obtain the necessary data regarding any human being. Later we invite them to come to the camps or centers where we can care for them in an organized way. Next we try to give them more assistance as the program advances.

I do not know why you say that there has not been adequate information released. In general, the information has been provided. The thing is that we cannot publicize the most minute details because these are primarily operational or functional matters, which are not necessarily of interest. However, we have to inform the people of the fact that we are helping them and how we are helping them, of how many we are helping and what positions or policies we have for the future.

GOVERNMENT TO RELEASE 570 PRISONERS 'SOON'

PA301736 Panama City ACAN in Spanish 1516 GMT 30 Nov 80

[Text] Managua, 30 Nov (ACAN-EFE)--A total of 570 prisoners, who have been accused of counterrevolutionary crimes, will soon be released from prison, it was learned today in this capital.

Their release is due to an amnesty approved by the Sandinist government following efforts and recommendations made by the National Commission for the Protection and Promotion of Human Rights in Nicaragua.

Rafael Cordova Rivas, member of the junta of the Government of National Reconstruction, announced that a list was being drafted to release prisoners suffering from contageous diseases, prisoners who are disabled and those over 55 years of age. "This does not mean that all those who are 55 years old are going to be released, considering that many of those prisoners were torturers and criminals during the Somozist dictatorship," Cordova Rivas explained.

During an official ceremony on 10 December, the authorities will announce the date when the revolutionary government amnesty will become effective for the prisoners' release.

INFILTRATOR REVEALS DETAILS OF PLOTTERS' GROUP

PA291925 Managua Radio Sandino in Spanish 1200 GMT 29 Nov 80

[Statement by Commander Alvaro Baltadano to Radio Sandino on recent plot uncovered against government--recorded]

[Text] In the first place he must clarify one point: What Commander (Diaz) said about the Sandinist Armed Forces. The unity of the Sandinist Armed Forces is unbreakable. The Sandinist Armed Forces are imbued with love for the revolution and the people. They are made up of companeros who for years struggled against the Somozist dictatorship. They fought to attain a better world for our people to live in peacefully. We want to stress this point.

As Commander (Diaz) said, I was to act as directed by the national security forces directorate. In August this fellow Nestor Moncada, known as Chema, had been expressing counterrevolutionary ideas. I heard about this and because we were friends, because we had worked together in 1977, I tried to explain to him that he was wrong. His statements, however, became increasingly strong and dangerous. He said there were other people with ideas similar to his who were ready to form a group to settle the situation. This remark was definitely alarming. I did not take him seriously. I thought he was joking. However, I expressed my concern to the security forces.

When I approached the companeros at the security forces they told me it was true, that they had been watching him and that his counterrevolutionary activities were known to them. They told me to befriend him to see what was going on. I began closer contacts with him and he started telling me more concrete facts and more serious matters. I was to pretend to agree with his ideas.

In August Nestor Moncada said that his aunt, Dora Maria Lau de Lacayo, had been calling him insistently, saying she wanted to talk to him. When he spoke to her she explained the need to work with some people she had been contacting. She told him she could arrange a meeting for him with Robelo. She told him Robelo headed a movement, that they wanted to approach disgruntled members of the Sandinist Armed Forces, and that they wanted to talk to him. He accepted and went to meet them. Dora Maria was serving as intermediary, but Robelo did not show up at the meeting. She had mentioned him as head of the movement, but he was not present at the meeting, which was attended by Jorge and Alejandro Salazar. Chema, Dora Maria and the two Salazars began discussing the need to create a counterrevolutionary movement to overthrow the Sandinist National Liberation Front [FSLN],and to annihilate the government junta and the FSLN National Directorate. They wanted to create a government in Nicaragua in which there would be representatives of private enterprise, a military representative, as they called it, and members of the Somozist guard somewhat acceptable to the Nicaraguan people. That was the result of their first meeting with Chema.

He told me that he had had his first meeting with them and that he kept on meeting them, and that slowly they were drafting plans which, as the months went by, became more serious. Chema told them of a contact he had in the armed forces, but he did not tell them I was the contact. He used to attend the meetings and then tell me what had been discussed.

Later, Alejandro Salazar, Jorge Salazar, Leonardo Somarriba, Mario Janon, and other people began making trips abroad and establishing relations which they later discarded as time went by. At first they did not tell Chema of their contact, but gradually they started giving him more information. They told of their contacts in El Salvador and Honduras, and of their trips to Costa Rica, other Latin American countries and Miami.

It was then decided that more concrete information was needed. Many of the details had to be confirmed. Sometimes they used to mention names of people for their proposed government junta. This did not mean, however, that these people were aware of the plot. They were merely mentioned, as was the case of Ismael (Rey), and Alfonso Callejas. They mentioned others who seemed to be more involved, like Jaime Castillo. Mario Janon had also attended meetings, as well as Alejandro Salazar. Jaime Castillo was later contacted at Matagalpa and there was talk of money for the counterrevolutionary movement.

At the end of October, it was decided to confirm all this information and the national security directorate ordered me to attend the meetings. We took advantage of the fact that they asking Chema to take another member of the armed forces to the meetings.

I attended the first meeting in the home of Daniel Lacayo. He met me at the door and took me to a room in the back of the house, where I met Dora Maria, Leonardo Somarriba and Jaime Somarriba. Only the three of them, Chema and I attended the meeting. None of the others involved came. They had met previously.

They posed several matters at this meeting. They again spoke of forming the new government junta. They had already drafted plans. They mentioned names of people who could be a part of this new government, in which private enterprise would form a majority and which would also include some former Somozist guardsmen, who, as I said before, might be somewhat acceptable to the people. They also discussed the need to speed this coup d'etat. They said that the longer it took the more time the FSLN had to strengthen itself, and it would be harder to overthrow the government junta and defeat the FSLN.

PROFESSOR URGES SUPPORT FOR WORK-STUDY PROGRAM

PA020317 Managua Radio Sandino in Spanish 1800 GMT 1 Dec 80

[Excerpt] Education and work will form the integral man, the new man that the new Nicaragua needs for building a society in which all Nicaraguans will participate.

Parents must support the work-study program because it benefits their children and themselves. Education and work will show the true situation of the Nicaraguan people. Students from the Miguel de Cervantes Institute have said that participation in the work-study program is a source of pride. This morning these students formed squads that will participate in the work-study program in seven communities near their school and they have done it with great enthusiasm.

Professor Jose Luis Villavicencio, general director of the institute, has said that this institution has 5,000 students who are very much aware of the importance of the work-study program. He noted that this program will allow students to know the sacrifices their parents make to earn a salary in order to take care of their homes. The professor noted that because of this, the program will create responsible Nicaraguans who will care for their brothers in rural and poor neighborhoods.

DOMINICAN REPUBLIC

REPORT ON PRESIDENT GUZMAN'S TRIP TO MEXICO

FL271231 Santo Domingo Radio Mil Network in Spanish 1000 GMT 27 Nov 80

[Text]The presidential trip to the tourist city of Cancun, Mexico, served as a means to guarantee the supply of Mexican oil, which had been previously agreed upon by Mexico and Venezuela for the benefit of Caribbean nations.

However, other aspects of the talks on Dominican-Mexican cooperation were not fruitful despite the efforts of the high-level delegations of the two nations. Some 26 officials of the Dominican Government accompanied President Guzman on his trip to Mexico, where they held talks with high officials of the Mexican Government for more than 6 hours. The talks concluded without concrete results and the two governments decided to have two standing commissions continue the efforts.

The 24-hour presidential trip to Cancun resulted in an agreement for the supply of oil to the Dominican Republic, but even that was not finalized because no decision was reached on the processing of the Mexican crude oil, which will amount to 14,000 barrels per day.

President Guzman told his Mexican counterpart that the oil to be supplied to the Dominican Republic should be refined in Venezuela. Mexico also has offered economic and technical cooperation to expand the refining capacity in the Dominican Republic.

Prior to the presidential trip, the possibility of establishing specific cooperation mechanisms in the sectors of health, tourism, social work and communications had been anticipated. During the trip to Mexico, the Dominican delegation was only able to reach agreement on continuing talks aimed at achieving cooperation in those state sectors.

GRENADA

POLICE REPORT MORE EVIDENCE ON 28 NOV MURDERS

FL012352 St George's Radio Free Grenada in English 2330 GMT 1 Dec 80

[Excerpt] The security forces have reported major successes in their investigations into the gunslaying of five men 2 weeks ago in St Patrick's area. Following the killing of two of the most wanted men in the history of Grenada last Friday, the security forces have unearthed more evidence on the murder of the five men.

A number of persons have been detained for questioning and sources say the interrogations have brought the police closer to total solving of the case. Meanwhile, investigations are continuing and the police have issued a call for persons having information that can assist them to come forward and give that information.

DEPUTY CUBAN AMBASSADOR UNDERSCORES FRIENDSHIP

FL020021 St George's Radio Free Grenada in English 2330 GMT 1 Dec 80

[Text] The friendship between the people of Grenada and the people of Cuba is unbreakable. This view was expressed today by Cuba's new deputy ambassador to Grenada, Nelson Lezcano, who will be representing his country for a period of 2 months while Ambassador Julian Torres Rizo is in Cuba. Ambassador Rizo left [words indistinct] last Friday for a home leave along with wife (?Lillian) where he will spend a 2-month holiday.

Deputy Ambassador Lezcano is an official of the Latin American division of the Cuban Foreign Ministry. Speaking to RFG news tonight, Mr Lezcano said that he is really happy to be in Grenada and feels very much at home here. He said there is no difference in our peoples and we have the same progressive and humanitarian aspirations. He expressed best wishes to the people and the Government of Grenada.

Mr Lezcano visited Radio Free Grenada where he had discussions with the heads of departments at the station. The Cuban deputy ambassador said that the Cuban Government will be giving assistance to the development of radio services in Grenada. He also urged the members [words indistinct] station to continue to work on bringing information to the people and to ensure that Radio Free Grenada maintained high standards.

Cuba has already promised assistance to the radio station and recently deputy secretary for information and manager of the station Kamau McBarnette visited Cuba at the invitation of the Cuban Institute for Radio and Television.

JAMAICA

PRIME MINISTER HAS NO PLAN TO DEVALUE DOLLAR

FL281500 Kingston DAILY GLEANER in English 22 Nov 80 p 1

[Excerpt Prime Minister Edward Seaga said yesterday that the government has no intention of devaluing the Jamaican dollar because devaluation was not the answer to Jamaica's economic problems.

Speaking at yesterday's swearing-in ceremony for 13 new parliamentary secretaries at King's House, Prime Minister Seaga said: "Devaluation is not an answer to Jamaica's problems and this government has no plan to devalue the Jamaican dollar."

Mr Seaga was elaborating on his address to the official opening of parliament on Tuesday.

He said the 1980-81 budget was made up without the government having any knowledge where the funds would come from, and this had created a projected initial deficit of $305 million which has since risen to a deficit of between $350 million and $370 million.

He said that despite the deficit situation, the government did not contemplate devaluing the Jamaican dollar as a result of the problems which had arisen.

There had been some confusion caused by reports on certain statements he had made on ths subject in the House on Tuesday, he said.

Mr Seaga said that many of the parliamentary secretaries were new members of parliament from areas where the Jamaica Labour Party had never won before and were in fact breaking new ground.

He said the whole team named by the government had found itself in a position in which no other government of Jamaica had experienced.

He said the junior ministers and parliamentary secretaries would have to assist in the effort to revitalise collapsing institutional structures and programs that needed to be put back in place.

While the government was preparing its budget for the spring, it would have to be looking forward into the future and all the tasks with which it was faced came against the background of uncertain resources. The cabinet would need assistance and the number of persons who were named as ministers of state and parliamentary secretaries reflected the extent to which assistance was needed by the respective ministries, Mr Seaga said.

GOVERNMENT TO DIVEST INTEREST IN NEWS MEDIA

FL020043 Kingston Domestic Service in English 0000 GMT 2 Dec 80

[Excerpt] The minister of state for broadcasting, Mr Ed Bartlett, has stated that government (?interest) in Radio Jamaica and the JAMAICA DAILY NEWS will be divested. Mr Bartlett was outlining some of government's intentions with the media as he spoke today at the opening of the conference of the International Association of Women in Radio and Television at the Pegasus Hotel. Mr Bartlett said:

[Begin recording] Anyone who has lived in a country like Jamaica will realize that the total depoliticization of the media is impossible in a country such as ours. However, we intend to give priority to the concerns and problems of the ordinary citizens as well as to link the public information sector with the major aims of national development.

We will introduce high technical and professional standards into the government media system. We intend to give preference to workers who show creativity and a social commitment to their jobs and to constitutionally entrench a public media commission, the membership of which will be determined in consultation with the opposition. This commission will have as its responsibility the establishment of guidelines to ensure that, as far as possible, the objectivity of the public media is maintained, and it will also be responsible for monitoring performances to that end.

We are also committed to divesting the government's interests in Radio Jamaica and the JAMAICA DAILY NEWS in favor of the widest possible spread of private ownership. We hope that we will see before long a Jamaica Broadcasting Corporation returning to what it was originally intended to be, a national broadcasting facility serving the public interest in a manner acceptable [words indistinct]. [end recording]

SPECIAL PROVISIONS OF CRIME ACT EXTENDED 180 DAYS

FL011605 Kingston DAILY GLEANER in English 26 Nov 80 pp 1, 19

[Excerpt] The special provisions under the suppression of crime act, were extended by a further 180 days by the House of Representatives yesterday.

The act had been previously extended for 30 days from November 11 by the attorney general and minister of national security and justice, the Hon Winston Spaulding, using his powers as minister shortly after his appointment.

The 180 days extension which was voted on yesterday will extend the act from December 10, when the 30 days expire, to June 9, 1981.

Mr Spaulding moved the resolution in the House shortly after seven of the opposition People's National Party [PNP] members of parliament were sworn in. Dr D.K. Duncan (PNP-east central St Andrew) sought an amendment to the resolution limiting the extension to the end of January. However, the resolution as tabled was carried.

FORMER PREMIER MANLEY REELECTED PNP LEADER

FL012312 Havana Domestic Service in Spanish 2230 GMT 1 Dec 80

[Text] Kingston--The national executive council of the Jamaican People's National Party [PNP] unanimously reelected former Prime Minister Michael Manley as leader of this political organization. At a meeting held yesterday, the members of the PNP's top leadership organ also confirmed Donald K. Duncan and Dudley Thompson as secretary general and chairman of the party, respectively.

The meeting was the first working session of the national executive council since the Jamaica Labor Party assumed power following the electoral process that ended on 30 October and was characterized by the wave of violence undertaken by the Labor Party.

OPPOSITION CHARGES IRREGULARITIES IN VOTERS LIST

FL282055 Bridgetown ADVOCATE-NEWS in English 24 Nov 80 p 3

[Excerpts] Georgetown, Guyana, Sunday, (CANA)--The main official opposition People's Progressive Party (PPP) claimed here yesterday that 12 Americans who were among the 914 victims of the 18 November 1978 People's Temple cult tragedy in northwestern Guyana have been registered as voters for the 15 December general and regional elections in this republic.

Describing it as "unbelievable, eerie and shocking", the PPP contended it was "nevertheless true" and in a statement released 12 names which it said were "positively identified as victims of the Jonestown holocaust" in one of two lists released by the U.S. State Department on 16 December 1978.

"These names appear, some repeatedly, on the lists of voters for the northwest district (region one of the 10 regions into which the country has been divided for the elections) where the Jonestown colony was located and on the overseas lists for the United States," the PPP claimed.

The statement yesterday declared that the ruling People's National Congress (PNC) owed an "explanation for this bizarre occurrence of registering Jonestown dead and alien citizens as voters in Guyana's elections."

The party also released another statement which claimed that while 298 names were listed for Tumareng, in western Guyana, only 12 people were now in the area.

The PPP contended that the registration list for the interior areas in particular was replete with fictitious names. It claimed that in the northwest, where it said a total of 20,173 people had been registered as voters, its investigations, based on the last census in the area, placed the population of those aged 18 years and over at "not more than 11,197."

"Beside that, one has to take into consideration the exodus from that area, mainly over to Venezuela, while there is a steady trickle of unemployed seeking work in the city and coastal belt," it added.

Two other opposition parties here have refused to contest the elections, contending that the polls would be a farce to "fool the world" in the absence of guarantees for free and fair elections.

MAGISTRATE CRITICIZES INQUIRY INTO COUP PLOT

FL290046 St George's Radio Free Grenada in English 2330 GMT 28 Nov 80

[Text] A Guyana magistrate has accused the state of a lazy approach in its handling of a preliminary inquiry into charges of six men accused of a plot to overthrow the government.

Magistrate (Anthony Singh) said that the prosecution had treated the court with some degree of contempt and this he would not tolerate. His comment came after the prosecution had asked for an adjournment because witnesses were not present. The magistrate set Wednesday for the continuation of the case and warned the [word indistinct] to ensure that the witnesses were present.

Yesterday a state witness was deemed by the prosecution to be hostile after he said statements allegedly given by him to the police were made under duress. The witness, (Buffold Dak) said he was threatened with force if he did not implicate the late historian and political activist Walter Rodney in the alleged coup. The six charged are members of the opposition Working People's Alliance.